



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Health Plan Benefits Group
7500 Security Boulevard C1-05-17
Baltimore, Maryland 21244

TO: All Medicare+Choice Organizations (M+COs)

FROM: Marla Kilbourne
Acting Director
Division of Enrollment and Payment Operations

DATE: November 1, 2002

SUBJECT: Clarifications to the Retroactive Adjustment Process AND IntegriGuard Procedures to Remove Institutional Periods and Process Medicaid Requests

The purpose of this letter is to provide some clarifications to the October 7, 2002 initial notice, to provide procedures to remove Institutional periods and to submit Medicaid requests.

IntegriGuard Requirements vs. M+CO Data Retention Requirements

There has been some confusion regarding which process applies when submitting data to the contractor and the use of the term "regional office". Tab B in the October 7 letter contains the procedures for submitting requests to IntegriGuard. You are to use those procedures for submitting requests to IntegriGuard.

Tabs C through G in that letter are the standard operating procedures applicable to documenting retroactive adjustment requests. M+COs are to follow these guidelines in their own development; but are only to submit the data as described in Tab B to the contractor. M+COs are required to retain the documentation described in Tabs C-G for use during the Probe studies, onsite visits or audits.

With the exception of retroactive enrollment and disenrollment requests and in line with the transition schedule provided, no data is to be submitted to the regional offices.

Policy Clarification, Tab A

Attached is an updated version of the memo; tightening up the language.

Institutional Requests

Tab B of the October 7 letter, the IntegriGuard process, states that an end date is not required. This has been revised. **All institutional requests must contain an end date.** Open-ended periods cannot be input into the system. In addition, M+COs are expected to submit their own institutional corrections after the retroactive period has been brought up to date. We have attached a document that contains the revised Institutional process as well as the new Institutional Removal process to this letter.

Medicaid Requests

The revised Tab B attached also contains the instructions for submittal of Medicaid requests to IntegriGuard.

Working Aged Requests

MCO's should continue to send your working aged requests to your Central Office contact until further notice.

Tab G of the October 7 letter states that the contractor will not be processing working aged requests; however, the cover memo states that such requests are to transition on December 1. The transition to occur will be from the Central Office to IntegriGuard, not from the MCOs to IntegriGuard. If you have any questions regarding this letter, please contact Carol Eaton at 410-786-6165 or Ceaton@cms.hhs.gov or Kim Miegel at 410-786-3311 or Kmiegel@cms.hhs.gov.

Attachments

Tab A

Retroactive Payment Adjustment Policy Clarification

These instructions provide guidance on the processing of retroactive payment adjustments. These adjustments occur due to evidence that the original payment was based on erroneous information about the following beneficiary demographic characteristics: age, sex, Part A and/or Part B coverage, enrollee's county of residence, Medicaid status, institutional status, working aged status, hospice election and ESRD status.

In **OPLs 95.012 and 95.013**, CMS established policy allowing health maintenance organizations/competitive medical plans (HMOs/CMPs) with risk contracts to request retroactive adjustment of certain membership records. With the passage of the Balanced Budget Act (BBA), CMS extended this policy to Medicare +Choice organizations (M+COs).

The date that updated information is received determines the timeframe applicable to the payment adjustment.

Receipt of Data

There are two definitions of "receipt of data" depending on the category of the adjustment and the way the change is received.

1. “Receipt of data” means the date CMS or its agent receives documentation. The date CMS receives from the M+CO **complete documentation supporting the correction** request is the date used to define the retroactive payment period.

Demographic characteristics included under this definition are institutional, Medicaid (submitted by the MCO), and state and county of residence.

The 36-month retroactive start date begins the first of the month the documentation was received from the M+CO. It is possible in some situations, this timeframe will be greater than 36 months from the current payment month by the time the request is processed. Should this occur, CMS will use the override option.

2. “Receipt of data” means system interface date. The date that status corrections are received in the Group Health Plan (GHP) system from the Enrollment Database (Some via multiple source systems i.e., the Social Security Administration, ESRD system, the Enrollment Database and the Common Working File) is the date used to apply the retroactive payment period.

Demographic characteristics included under this definition are age, sex, residence state and county code, Part A and B coverage, hospice, Medicaid, ESRD and working aged status corrections.

During processing, the GHP will automatically apply the 36-month retroactive payment period back from the date the correction was received by the GHP, but will record the actual effective start and end dates of the changed status correction.

Retroactive Demographic Adjustments

Retroactive adjustments may be created based on changes to the demographic characteristics of the members of an M+CO. The demographic characteristics of an enrollee include the following:

- Age
- Sex
- Enrollee’s County of Residence
- Hospice Election
- ESRD Status
- Working Aged Status
- Institutional Status
- Medicaid Status
- Coverage Under Part A (for remaining Part B only enrollees)

The retroactive payment period is limited to 36 months which begins as defined by the “receipt of data” definition applicable to the characteristic being adjusted.

The following table defines the retroactive payment period for each demographic characteristic.

<u>CHARACTERISTIC</u>	WHO ADJUSTS	TIMEFRAME 36 months from the ...
Age	SSA thru EDB	Date GHP is updated
Sex	SSA thru EDB	Date GHP is updated
Part A/B	SSA thru EDB	Date GHP is updated
State and County Code	SSA thru EDB	Date GHP is updated
	Retro-Processing Contractor thru McCOY	Date documentation is received from the M+CO
Hospice	CWF thru the EDB	Date GHP is updated
ESRD	ESRD system thru EDB*	Date GHP is updated
Working aged	CWF thru the EDB**	Date GHP is updated
Institutional	Retro-Processing Contractor thru MCCOY	Date documentation is received from the M+CO
Medicaid	State buy-in system thru the EDB	Date GHP is updated
	Retro-Processing Contractor thru MCCOY	Date documentation is received from the M+CO

*-M+COs are to obtain completed 2728 forms from the dialysis centers and to send them to central office (CO). CO works with OCSQ staff to correct ESRD system.

** - M+COs are to submit normal corrections to GHP and to send problem cases with documentation to the COB contractor.

- The hierarchy of the status adjustments are applied as follows: Hospice, ESRD, Working Aged, Institutional, Medicaid. If more than one status applies the payment will be calculated using the status highest in the order.

Retroactive Election (Enroll/Disenroll) Changes

Detailed instructions governing the processing of retroactive enrollments/disenrollments are contained in Ch 2 of the Managed Care Manual. When CMS determines that an election should be retroactive, the payment or recoupment period corresponds directly with the length of the enrollment period. This is true even if the 36-month period would be exceeded.

Retroactive Enrollment

CMS-approved retroactive enrollments are made back to the statutorily required effective date if the beneficiary meets all eligibility requirements. If the 36-month timeframe would be exceeded, the RO will use the override option to allow complete payment to the M+CO.

Retroactive Disenrollment

CMS-approved retroactive disenrollments are made back to the statutorily required effective date. If the 36-month timeframe would be exceeded, the RO would use the override option to allow complete recoupment of funds from the M+CO.

Tab B

INTEGRIGUARD SUBMISSION PROCESS FOR M+COS

M+COs can submit requests to IntegriGuard on CD, diskette, or paper. The specific format and required fields for submission of the retroactive status changes addressed in this memo is shown below under each category. However, IntegriGuard will accept the information on an Excel spreadsheet, in a Word document, or in an Access database. **Please note that this information cannot be sent by fax or e-mail as required under HIPAA regulations.** A cover letter including the M+CO number (H#) and certification must be submitted along with the requested changes. An example of appropriate language for the certification is as follows:

"This signature verifies that the information submitted to IntegriGuard on (date) is accurate and complete and that supporting documentation is being maintained at the M+CO for each request."

The M+COs should retain the original supporting documentation for the requested changes as they may be required to produce it during a Government audit at a later date.

Submitting State and County Code Status Changes

The M+COs will submit their requested changes to IntegriGuard. Requested changes will be processed within 45 days of receipt. Upon completion of processing, IntegriGuard will provide the M+CO with a report detailing the disposition of the requests. Supporting documentation will be required only as requested by IntegriGuard in conjunction with the probe study. (See section titled "Probe Study").

The information and column order needed to process each state and county code change is as follows:

M+CO Name

Contact Name:

Mailing Address

Phone #:

City, State, Zip Code

E-Mail Address:

SCC								
H#	CMS Region #	HIC #	Beneficiary's Last Name	Beneficiary's First Name	Start Date mm/dd/yyyy	End Date mm/dd/yyyy	Req SCC	Req Zip Code

Please note: All fields must be completed. If the M+CO does not have the end date because the beneficiary still resides in the SCC requested, please place "N/A" in the "End Date" field. Also, please enter dates as mm/dd/yyyy (example, 01/01/2002).

Submitting Institutional Status Changes

The M+COs will submit their requested changes to IntegriGuard. Requested changes will be processed within 45 days of receipt. Upon completion of processing, IntegriGuard will provide the M+CO with a report detailing the disposition of the requests. Supporting documentation will be required only as requested by IntegriGuard in conjunction with the probe study. (See section titled "Probe Study").

The information and column order needed to process each institutional status change is as follows:

M+CO Name

Contact Name:

Mailing Address

Phone #:

City, State, Zip Code

E-Mail Address:

					INST	
H#	CMS Region #	HIC #	Beneficiary's Last Name	Beneficiary's First Name	INST Start Date mm/dd/yyyy	INST End Date mm/dd/yyyy

Please note: The "INST Start Date" is defined as the date of the period for which you are requesting payment at the institutional status. The "INST End Date" is defined as the last date of the period for the requested Institutional status payment change. All fields must be completed.

Submitting Institutional Removal Status Changes

The M+COs will submit their requested changes to IntegriGuard. Requested changes will be processed within 45 days of receipt. Upon completion of processing, IntegriGuard will provide the M+CO with a report detailing the disposition of the requests. Supporting documentation will be required only as requested by IntegriGuard in conjunction with the probe study. (See section titled "Probe Study").

The information and column order needed to process each institutional removal status change is as follows:

M+CO Name

Contact Name:

Mailing Address

Phone #:

City, State, Zip Code

E-Mail Address:

					INST REMOVAL Months	
H#	CMS Region #	HIC #	Beneficiary's Last Name	Beneficiary's First Name	Beginning Month mm/yyyy	Ending month mm/yyyy

Please note: All fields must be completed. The month(s) to be removed field is defined as the month(s) for which the M+CO received institutional status payment but is now requesting the institutional status be removed, as it was not applicable.

Submitting Medicaid Status Changes

The M+COs will submit their requested changes to IntegriGuard. Requested changes will be processed within 45 days of receipt. Upon completion of processing, IntegriGuard will provide the M+CO with a report detailing the disposition of the requests. Supporting documentation will be required only as requested by IntegriGuard in conjunction with the probe study. (See section titled Probe Study).

The information and column order needed to process each Medicaid change is as follows:

M+CO Name

Contact Name:

Mailing Address

Phone #:

City, State, Zip Code

E-Mail Address:

					Medicaid	
H#	CMS Region #	HIC #	Beneficiary's Last Name	Beneficiary's First Name	Verified Period From Date mm/yyyy	Verified Period Thru Date mm/yyyy

Please note: The "Verified Period From Date" is defined as the date the requested Medicaid status change is to be initiated. The "Verified Period Thru Date" is defined as the date the requested Medicaid status change is to end. If the M+CO does not have the thru date because the beneficiary still qualifies for Medicaid status, place "N/A" in the "Verified Period Thru Date" field. All fields must be completed.

Submitting the Removal of Medicaid Status Changes

The M+COs will submit their requested changes to IntegriGuard. Requested changes will be processed within 45 days of receipt. Upon completion of processing, IntegriGuard will provide the M+CO with a report detailing the disposition of the requests. Supporting documentation will be required only as requested by IntegriGuard in conjunction with the probe study. (See section titled "Probe Study").

The information and column order needed to process removal of Medicaid status change is as follows:

M+CO Name

Contact Name:

Mailing Address

Phone #:

City, State, Zip Code

E-Mail Address:

					Removal of Medicaid Status Months	
H#	CMS Region #	HIC #	Beneficiary's Last Name	Beneficiary's First Name	Beginning Month mm/yyyy	Ending Month Mm/yyyy

Please note: The month(s) to be removed field is defined as the month(s) the M+CO is requesting the removal of Medicaid status. All fields must be completed.

Probe Study

In order to assure appropriate oversight, IntegriGuard will periodically conduct a probe study by requesting supporting documentation from various M+COs. The purpose of these studies is to review and verify that appropriate documentation is maintained by the M+COs as defined in the CMS Standard Operating Procedures (SOP).

A 5% random sample of M+CO status changes will be chosen for inclusion in the study. When an M+CO is notified of inclusion in the probe study, the M+CO will have 45 days from the date of IntegriGuard's request to submit supporting documentation. After review of the documentation, IntegriGuard will send the M+CO a report of the findings. If the documentation is not received or does not support the requested changes, the changes will be nullified. A report will be sent to the M+CO and to CMS detailing this action.

Submission Address

Please send all payment adjustment requests for changes to state and county code and institutional status categories to:

**IntegriGuard
MMC Enrollment Project
10040 Regency Circle, Suite 260
Omaha, Nebraska 68114**